

DEPARTMENT OF ADMINISTRATION  
GENERAL SERVICES DIVISION  
STATE PROCUREMENT BUREAU

[www.discoveringmontana.com/daa/gsd](http://www.discoveringmontana.com/daa/gsd)



BRIAN SCHWEITZER  
GOVERNOR

STATE OF MONTANA

MITCHELL BUILDING, ROOM 165  
PO BOX 200135

(406) 444-2575  
(406) 444-2529 FAX  
TTY Users-Dial 711

HELENA, MONTANA 59620-0135

November 15, 2005

STATE OF MONTANA  
TERM CONTRACT ADDENDUM  
T.C. #: SPB02-29G  
TITLE: BULK PROPANE

**MONTHLY PRICING ADDENDUM NO. 48 \***

To All Agencies and Contract Holders:

Please make the following **PRICING ADJUSTMENT** to the above-referenced "Term Contract":

**PRICE CHANGE--Effective November 15, 2005 through December 14, 2005, INCREASE original SPB02-29G term contract pricing by \$0.653**

This pricing adjustment is a result of average posted pricing of the Billings and Laurel refineries, pricing available upon request, email [dgarrity@mt.gov](mailto:dgarrity@mt.gov)

All other terms of the subject "Term Contract" are to remain as previously stated.

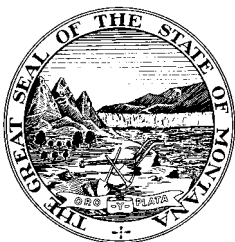
Sincerely,

Devin Garrity  
Program Manager

***\*Based on the volatility of the market we are issuing more frequent price changes.***

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<u>November 20, 2001</u>	<b><u>\$0.362/gallon</u></b>
January 7, 2005	<b><u>\$0.860/gallon</u></b>
February 7, 2005	<b><u>\$0.818/gallon</u></b>
March 7, 2005	<b><u>\$0.738/gallon</u></b>
April 1, 2005	<b><u>\$0.867/gallon</u></b>
May 13, 2005	<b><u>\$0.780/gallon</u></b>
June 7, 2005	<b><u>\$0.724/gallon</u></b>
July 1, 2005	<b><u>\$0.783/gallon</u></b>
August 2, 2005	<b><u>\$0.890/gallon</u></b>
September 2, 2005	<b><u>\$1.068/gallon</u></b>
October 7, 2005	<b><u>\$1.156/gallon</u></b>
November 1, 2005	<b><u>\$1.145/gallon</u></b>
November 15, 2005	<b><u>\$1.015/gallon</u></b>

**CALCULATION COPY FOR FILE**

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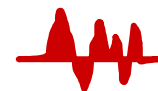
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Program Manager

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# Propane Market Pulse

Tuesday, November 15, 2005



**FROM: Lance Prouty/Pat McLaughlin (800) 547-3835 ext. 2**

**TO: Energy/Propane Manager November 15, 2005**

Lance is out of the office attending the Energy Summit and Pat is out on vacation. Any one of the other marketers can assist you with your propane needs/questions. If there is anything that you need at all please feel free to give any of the marketers a call and we can assist you with your propane needs at 800-547-3835 ext. 2.

## CURRENT MONTH TRADE

Current Propane Hub Trade Values				NYMEX PRICING		
	CONWAY	MONT BELVIEU	BUSHTON	Product	Yesterday's Close	MTD Average
Current Value	.9850	.9700	.9900	Crude Oil (\$/bbl)	57.69	59.30
Dec 05 Value	.9950	.9800	1.00	Nat Gas (\$/MMBtu)	11.60	11.66
Jan 06 Value	1.005	.9950	1.01	Unleaded (cpg)	149.61	155.65
Feb 06 Value	.9900	.9800	.9950	Heating Oil (cpg)	173.04	177.69
Yesterday's Closing Values				Propane to crude%		
	CONWAY	MONT BELVIEU	BUSHTON		current ratio	January Ratio
Any	.97875	.9825	.9625		71.89	73.35
Wet (Prompt)	.97875	.9825	.9625			
MTD Average						

**CALL AND LET'S DISCUSS CONTRACT FOR NOVEMBER – FEB WITH 0 DOWN AND 0 CARRY THAT IS LOWER THAN THE VALUES LISTED BELOW IN THE CONTRACT SECTION. PLEASE CALL ME FOR ADDITIONAL DETAILS IF YOU ARE INDEED INTERESTED IN THIS.**

**INFORMATIONAL MEETING INFORMATION: Propane Equipment is offering an informational meeting at the Annual Meeting on Level Management Solutions and Suburban Software on Wednesday, November 30. Please don't forget to register if you are planning on attending these meetings by calling 800-232-3639 and extension 8465.**

## Market News Commentary

NYMEX energy futures turned positive Monday as colder weather forecast for the nation's East could impact demand for heating fuels. Crude oil closed at \$57.29 per barrel, up 16 cents on the day. Unleaded gasoline was up 1.11 cents to \$1.4961 while heating oil gained 69 points to \$1.7304 per gallon.

Propane prices were relatively unchanged from Friday's levels after trading as high as up 1.5 cents back down to up ¼ of a cent. Natural gas futures lost 10.5 cent today, settling at \$11.607 per MMBtu.

## Contracting Notes:

The propane market is really in limbo right now of what to follow crude or natural gas. We know that when the weather finally does arrive and look to stay for a while, that the market reaction will be to the upside. The market was up a penny and a half yesterday before falling back to up just a ¼ cent by the end of the day so the average move up on the day was .0125 which the racks moved up last night.

**IF YOU HAVE A TARGET VALUE FOR CONTRACTS AT YOUR TERMINAL FOR THIS YEAR YET, THE SUMMER OR FOR NEXT SEASON, CALL ME AND I CAN TRACK THEM FOR YOU AND CALL YOU WHEN THEY ARE GETTING CLOSE!!**

## MORNING TIDBITS

The information contained in this letter is the best information we have at hand on the subjects discussed, and is taken from sources we believe to be reliable, but is not guaranteed by us as to the accuracy or completeness and is sent to you for informational purposes only. Any prices indicated are subject to change with market conditions.

Prices "seem" to be in the position to rebound. Crude has so far successfully defended the 200 day moving average. Winter weather appears to be ready to make an impact. It looks as if most of the premium in crude has been removed and current propane prices are close to where we would expect if we look at seasonal trends and compare to other months.

That could mean a period of basically sideways movement in prices waiting on weather impacts. Last year winter was late in arriving and following a bearish inventory report crude dropped almost \$4 per barrel. Of course crude came back strongly, but the market was much more bullish then.

So if we are going to enter this market we may still want to consider the downside risks and put stop losses in place or purchase a put option.

### **SAFETY NEWS:**

As a propane customer, you were provided a propane business safety information manual that all employee that are involved in your propane business should read and understand.

### **CONTRACT PRICINGS FOR NEXT YEAR ARE RANGING FROM 1.035 - 1.07 DEPENDING ON YOUR SPECIFIC TERMINAL!**

### **WE HAVE HAD MANY PEOPLE LOOKING AT THIS AND CONTRACTING ALREADY FOR NEXT SEASON...**

If you have end user accounts that would like to lock in a price for 2 year's, then take a look at locking in a 12 month contract with us or look at next year's contracts and we can lock those in for you as well so that you can work on getting your accounts locked in for 2 years on the retail side.

### **Current Rack Prices**

<b>Terminal</b>	<b>Benson</b>	<b>Richardson</b>	<b>Ft Whyte</b>	<b>Rapid City</b>	<b>Killdeer</b>	<b>Carrington</b>	<b>N Platte</b>	<b>Bakken, MT</b>	<b>Kitty-Hilite</b>
<b>Price</b>	1.0325	.9925	1.02	1.04	.9900	1.015	1.0458	.9675	1.08
<b>Terminal</b>	<b>Mandan</b>	<b>Rhame</b>	<b>Tioga</b>	<b>Lignite</b>	<b>Mentor</b>	<b>Canton</b>	<b>Wolsey</b>	<b>Yankton</b>	<b>Sidney</b>
<b>Price</b>	1.00	1.01	.9950	1.0025	1.05	1.0478	1.0547	1.0441	1.03

### **Rack Values Today –**

Empress -.9650 Waterton - 1.035 Bakken .9675 Sidney –1.03 Conoco Billings -1.02 Baker - 1.03 Laurel –1.01 Reno –1.30 Richardson – .9925 Yellow Creek - 1.095 Salt Lake City – 1.19 -Anacortes-Equilon-BP- 1.15 Anacortes-Tesoro-Enterprise 1.15 Ferdale Conoco -Tosco 1.14 Tokio – 1.10 Casper - 1.05 Hiland – 1.04 Worland 1.07 Opal - 1.045 Patrick Draw - 1.08 Hilite-1.08 Granger - 1.08

**Terminal contract prices: 8 cent deposit current 12 month (the November – Feb 0 down 0 carry are cheaper than these) call for current quote**

**Carrington 1.047 Benson 1.0691 Wolsey 1.0957 Canton 1.0866  
Yankton—1.0841 Ft. Whyte—1.0416**

**Single Month contracts—If you would like to do one for a group of months call for a quote**

**Empress, AB-- 1.016 Opal, WY—1.0585 Richardson, SK—1.0291  
Tokio, Wa—1.1361**

**\*\*Full menu of physical & financial option contracts available\*\* \*\*Call (800) 547-3835 ext. 2 for a current quote \*\***

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